



**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**

Office of the Secretary of State  
Corporations Division  
100 North Main Street  
Providence, Rhode Island 02903-1335

**ARTICLES OF AMENDMENT TO THE  
ARTICLES OF INCORPORATION  
OF**

Union Insurance Company of Providence

Pursuant to the provisions of Section 7-1.1-56 and 7-1.1-53.1 of the General Laws, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

1. The name of the corporation is Union Insurance Company of Providence
2. The shareholders of the corporation (or, where no shares have been issued, the board of directors of the corporation) on October 22, 1998, in the manner prescribed by Chapter 7-1.1 of the General Laws, 1956, as amended, adopted the following amendment(s) to the Articles of Incorporation:

[ Insert Amendment(s) ]  
*(If additional space is required, please list on separate attachment)*

See attached December 23, 1998 Administrative Order of Director of Rhode Island Department of Business Regulation, which is hereby incorporated herein by reference.

3. The number of shares of the corporation outstanding at the time of such adoption was 880,000; and the number of shares entitled to vote thereon was 880,000.
4. The designation and number of outstanding shares of each class entitled to vote thereon as a class were as follows:  
(If inapplicable, insert "none")

<u>Class</u>	<u>Number of Shares</u>
Common	880,000

**FILED**

DEC 29 1998

By DA #55  
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STATE OF RHODE ISLAND  
OFFICE OF THE SECRETARY OF STATE  
CORPORATIONS DIVISION  
600 NORTH MAIN STREET  
PROVIDENCE, RHODE ISLAND 02903-1335

5. The number of shares voted for such amendment was 880,000; and the number of shares voted against such amendment was 0.

6. The number of shares of each class entitled to vote thereon as a class voted for and against such amendment, respectively, was: (if inapplicable, insert "none")

Class	Number of Shares Voted	
	For	Against
Common	880,000	0

7. The manner, if not set forth in such amendment, in which any exchange, reclassification, or cancellation of issued shares provided for in the amendment shall be effected, is as follows: (If no change, so state)

No change

8. The manner in which such amendment effects a change in the amount of stated capital, and the amount (expressed in dollars) of stated capital as changed by such amendment, are as follows: (If no change, so state)

No change

9. Date when amendment is to become effective: December 31, 1998 at 11:59 p.m.  
(not more than 30 days after the filing of these Articles of Amendment)

Dated December 28, 1998

Union Insurance Company of Providence

By [Signature]  
its Vice President and CFO

and [Signature]  
its Assistant Secretary

STATE OF IOWA  
COUNTY OF POLK

In Des Moines, Iowa, on this 28th day of December, 1998, personally appeared before me Mark E. Reese and Jeffrey S. Birdsley, who being by me first duly sworn, declared that they are the Vice President and CFO and the Assistant Secretary, respectively, of said corporation; that they signed the foregoing documents as such officers of the corporation; that the statements therein contained are true; and that the foregoing document was by them and by the corporation voluntarily executed.

Richard W. Hoffmann  
Notary Public in and for the State of Iowa

My Commission Expires: 5/7/99



**State of Rhode Island and Providence Plantations**  
**Department of Business Regulation**  
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**233 Richmond Street**  
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**Providence, Rhode Island 02903**

**Administrative Order**

**Section I.** Effective December 31, 1998, at 11:59 p.m., this Administrative Order grants Union Insurance Company of Providence, an insurance company duly organized under the Laws of the State of Rhode Island ("Union"), permission to transfer its domicile to the State of Iowa and be admitted as a foreign insurer in the State of Rhode Island pursuant to R.I. Gen. Laws 27-2.2-4 and 27-2 respectively, subject to the following condition:

- Union shall not amend, change, or modify its Restated Articles of Incorporation as filed with the Secretary of State of the State of Iowa ("Charter") in a manner that would amend, change, modify, or contradict the provisions relating to the Liquidation Account addressed in the Charter attached hereto and made a part hereof without the prior written approval of the Director of the Rhode Island Department of Business Regulation ("Director").

**Section II.** Without limiting any rights available to the State of Rhode Island, Union's right to be admitted as an insurer in the State of Rhode Island pursuant to the laws of the State of Rhode Island shall terminate after notice and an opportunity to be heard if:

1. Union or any affiliate acts in a manner to circumvent the mandates stated in this Administrative Order; or

2. Union violates any of the mandates stated in this Administrative Order.

Barry G. Hittner

Barry G. Hittner

Director/Insurance Commissioner

**DBR Order # 98-0127**

December 23, 1998

Date

**Acknowledgment**

Union Insurance Company of Providence hereby acknowledges receipt of this Administrative Order on this 28<sup>th</sup> day of December, 1998 and having no objection thereto agree to be bound by its terms.

By [Signature]

By Richard W. Hoffmann

**RESTATED  
ARTICLES OF INCORPORATION  
OF  
UNION INSURANCE COMPANY OF PROVIDENCE**

**TO THE SECRETARY OF STATE  
OF THE STATE OF IOWA**

Union Insurance Company of Providence was originally a Rhode Island corporation and mutual insurance company organized by Act of the Rhode Island General Assembly of 1863, as subsequently amended. Formerly known as Union Mutual Insurance Company of Providence, the corporation further amended, restated and converted its charter to the capital stock form of organization, and adopted its present name, in actions approved by the Rhode Island Department of Business Regulation on March 17, 1994.

Pursuant to the provisions of Section 490.1007 of the Iowa Business Corporation Act, the undersigned corporation adopts the following Restated Articles of Incorporation, to be effective January 1, 1999:

1. The name of the corporation is Union Insurance Company of Providence.
2. The corporation has been a Rhode Island insurance corporation which is becoming an Iowa domestic insurer pursuant to Sections 515.99 and 490.902, Code of Iowa (1997).
3. The Converted and Restated Stock Charter is restated in the form of Restated Articles of Incorporation (which shall supersede the corporation's original Charter and all amendments thereto) to provide as follows:

**Article I.**

The name of the corporation is Union Insurance Company of Providence.

**Article II.**

The period of its duration is perpetual. As provided by Rhode Island General Laws Section 27-1-40(c), the corporate existence of the corporation was not terminated by the conversion to the capital stock form of organization effected in March, 1994 (the "Conversion"), and the converted stock institution is and shall be a continuation of the corporation as originally organized. For all purposes, the corporation shall be deemed to have been organized in May, 1863.

### **Article III.**

The corporation was originally chartered in May, 1863, by Act of the Rhode Island General Assembly. The names and addresses of the incorporators of this corporation in Iowa, in connection with its redomestication in Iowa, are:

Bruce G. Kelley	717 Mulberry Street Des Moines, Iowa 50309
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Richard W. Hoffmann	717 Mulberry Street Des Moines, Iowa 50309
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### **Article IV.**

The street address of the corporation's initial registered office in Iowa and the name of its initial registered agent at that office are Richard W. Hoffmann, 717 Mulberry Street, Des Moines, Iowa 50309.

### **Article V.**

The location of the corporation's principal place of business is in Polk County, Iowa. As of the filing date of these Restated Articles of Incorporation, the location of the corporation's principal place of business is 717 Mulberry Street, Des Moines, Iowa 50309. The principal place of business may be changed hereafter to any other location in Polk County, Iowa, without further amendment of these Restated Articles of Incorporation.

### **Article VI.**

The purposes and objects for which the corporation is organized are the transaction of any and all lawful business for which corporations may be organized under the Iowa Business Corporation Act (Chapter 490, Code of Iowa 1997, and successor statutory provisions), including but not limited to:

- A. Acting as an insurance company pursuant to Chapter 515, Code of Iowa 1997 (and successor statutory provisions), and writing any or all of the following lines of business:
  - 1. Fire
  - 2. Extended coverage
  - 3. Other allied lines
  - 4. Homeowners multiple peril
  - 5. Farm owner's multiple peril
  - 6. Commercial multiple peril
  - 7. Earthquake

8. Growing crops
9. Ocean marine
10. Inland marine
11. Accident and health
12. Hospital and medical expense
13. Medical malpractice
14. Financial guaranty
15. Workers' compensation
16. Liability other than auto
17. Auto liability
18. Auto physical damage
19. Aircraft all perils
20. Fidelity
21. Surety
22. Credit
23. Glass
24. Burglary and theft
25. Boiler and machinery
26. International
27. any other line of business authorized by the laws of the state of Iowa or approved by the Iowa Commissioner of Insurance.

- B. Reinsurance and accepting reinsurance on any or all of the lines of business set forth in paragraph A of this Article VI.

#### Article VII.

The aggregate number of shares of all classes of capital stock which the corporation is authorized to issue is 1,750,000, of which 1,250,000 shares are common stock, of par value of \$6.00 per share, and of which 500,000 shares are serial preferred stock, of par value of \$10.00 per share. The shares may be issued from time to time as authorized by the Board of Directors without further approval of its shareholders except as otherwise provided in this Article VII or to the extent that such approval is required by governing law, rule, or regulation. The consideration for the issuance of the shares shall be cash, shall be paid in full before their issuance and shall not be less than the par value. Upon payment of such consideration, such shares shall be deemed to be fully paid and nonassessable. In the case of a stock dividend, that part of the surplus of the corporation which is transferred to stated capital upon the issuance of shares as a stock dividend shall be deemed to be the consideration for their issuance.

Nothing contained in this Article VII shall entitle the holders of any class or series of capital stock to vote as a separate class or series or to more than one vote per share; provided, however, that this restriction on voting separately by class or series shall not apply:

(i) to any provision which would authorize the holders of preferred stock, voting as a class or series, to elect some members of the Board of Directors, less than a majority thereof, in the event of default in the payment of dividends on any class or series of preferred stock;

~~(ii) to any provisions which would require the holders of preferred stock, voting as a class or series, to approve the merger or consolidation of the corporation with another company or the sale, lease, or conveyance (other than by mortgage or pledge) of properties or business in exchange for securities of a company other than the corporation if the preferred stock is exchanged for securities of such other company; provided, however, that no provision may require such approval for transactions undertaken pursuant to the direction of the Insurance Division of the Iowa Department of Commerce (the "Department") or any successor regulatory body; or~~

(iii) to any amendment that would adversely change the specific terms of any class or series of capital stock as set forth in this Article VII, including any amendment which would create or enlarge any class or series ranking prior thereto in rights and preferences. An amendment which increases the number of authorized shares of any class or series of capital stock, or substitutes the surviving institution in a merger or consolidation for the corporation, shall not be considered to be such an adverse change.

A description of the different classes and series of the corporation's capital stock and a statement of the designations, and the relative rights, preferences and limitations of the shares of each class of and series of capital stock are as follows:

A. Common Stock. Except as provided in this Article VII (or in any amendment to the corporation's Restated Articles of Incorporation), the holders of common stock shall exclusively possess all voting power. Each holder of shares of common stock shall be entitled to one vote for each share held by such holder.

Whenever there shall have been paid, or declared and set aside for payment, to the holders of the outstanding shares of any class of stock having preference over the common stock as to the payment of dividends, the full amount of dividends and of sinking fund, retirement fund or other retirement payments, if any, to which such holders are respectively entitled in preference to the common stock, then dividends may be paid on the common stock and on any class or series of stock entitled to participate therewith as to dividends out of any assets legally available for the payment of dividends.

In the event of any liquidation, dissolution, or winding up of the corporation, the holders of the common stock (and the holders of any class or series of stock entitled to participate with the common stock in the distribution of assets) shall be entitled to receive, in cash or in kind, the assets of the corporation available for distribution remaining after: (i) payment or provision for payment of the corporation's debts and



liabilities in accordance with applicable laws and regulations; (ii) distributions or provision for distributions in settlement of its Liquidation Account pursuant to Article IX hereof; and (iii) distributions or provision for distributions to holders of any class or series of stock having preference over the common stock in the liquidation, dissolution, or winding up of the corporation. Each share of common stock shall have the relative rights as and be identical in all respects with all the other shares of common stock.

B. Preferred Stock. The corporation is authorized to issue pursuant to this Article VII a series of preferred stock in the following terms and conditions, which shall be designated Series A Voting Cumulative Preferred Stock, \$10 par value..

Shares of this Series shall rank prior as to distribution and upon liquidation of the corporation. Dividends may be paid, when and as declared by the Board of Directors, out of any assets of the corporation legally available therefor. Dividends on shares of this Series shall be fully cumulative and accrue upon and after the date of issue. Each such dividend shall be paid to the holders of record of shares of this Series as they appear on the stock register of the corporation on the record date, not exceeding 30 days preceding the payment date thereof, as shall be fixed by the Board of Directors. Dividends on account of arrears for any past dividend periods may be declared and paid at any time, without reference to any regular dividend payment date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board of Directors. The dividend rate on shares of this Series shall be at the annual rate of six percent (6%). The holders of shares of this Series shall be entitled to voting rights on all matters for which holders of the capital stock of the corporation shall have voting rights.

Upon liquidation, dissolution or winding up of the corporation, the holders of the shares of this Series shall be entitled to receive out of the assets of the corporation, after: (i) payment or provision for payment of the corporation's debts and liabilities in accordance with applicable laws and regulations; and (ii) distributions or provision for distributions in settlement of its Liquidation Account pursuant to Article IX hereof; and before any payment or other distribution shall be made on any other class of capital stock of the corporation ranking, upon liquidation, junior to this Series, an amount equal to \$10 per share, plus accrued dividends to the date of final distribution. The sale, lease, exchange or other disposition of all or substantially all the property and assets of the corporation, and the merger or consolidation of the corporation into or with any other company or the merger or consolidation of any other company into or with the corporation, shall not be deemed to be a liquidation, dissolution or winding up of the corporation for the purposes hereof. In the event of any liquidation, dissolution or winding up of the corporation, after the payment of the full amounts to which the holders of shares of this Series are entitled hereunder, the holders of shares of this Series as such shall have no right or claim to any of the remaining assets of the corporation.

The corporation may also provide in any amendment to its Restated Articles of Incorporation for additional classes of preferred stock, which shall be separately

identified. The shares of any class may be divided into and issued in series, with each series separately designated so as to distinguish the shares thereof from the shares of all other series and classes. The terms of each series shall be set forth in any amendment to the Restated Articles of Incorporation. All shares of the same class shall be identical, except as to the following relative rights and preferences, as to which there may be variations between different series:

(a) The distinctive serial designation and the number of shares constituting such series;

(b) The dividend rate or the amount of dividends to be paid on the shares of such series, whether dividends shall be cumulative and, if so, from which date(s), the payment date(s) for dividends, and the participating or other special rights, if any, with respect to dividends;

(c) The voting powers, full or limited, if any, of shares of such series;

(d) Whether the shares of such series shall be redeemable and, if so, the price(s) at which, and the terms and conditions on which, such shares may be redeemed;

(e) The amount(s) payable upon the shares of such series in the event of voluntary or involuntary liquidation, dissolution, or winding up of the corporation;

(f) Whether the shares of such series shall be entitled to the benefit of a sinking or retirement fund to be applied to the purchase or redemption of such shares and, if so entitled, the amount of such fund and the manner of its application, including the price(s) at which such shares may be redeemed or purchased through the application of such;

(g) Whether the shares of such series shall be convertible into, or exchangeable for, shares of any other class or classes of stock of the corporation and, if so, the conversion price(s) or the rate(s) of exchange, and the adjustments thereof, if any, at which such conversion or exchange may be made, and any other terms and conditions or such conversion or exchange;

(h) The price or other consideration for which the shares of such series shall be issued; and

(i) Whether the shares of such series which are redeemed or converted shall have the status of authorized but unissued shares of serial preferred stock and whether such shares may be reissued as shares of the same or any other series of serial preferred stock.

Each share of each series of serial preferred stock shall have the same relative rights as and be identical in all respects with all the other shares of the same series.

The Board of Directors shall have authority to divide, by the adoption of an amendment to its Restated Article of Incorporation, any authorized class of preferred stock into series, and, within the limitations set forth in this Article VII, to fix and determine the relative rights and preferences of the shares of any series so established.

#### Article VIII.

The shareholders shall have no preemptive right to acquire unissued or treasury shares of the corporation, or securities of the corporation convertible into or carrying a right to subscribe to or acquire shares.

#### Article IX.

From and after the March, 1994 Conversion of the corporation to the capital stock form of organization, members and former members of the corporation shall not be entitled to share in any residual assets in the event of liquidation of the corporation other than as expressly provided by this Article IX. However, the corporation did, in accordance with the provisions of that certain Plan of Recapitalization and Conversion dated March 15, 1994 (the "Plan"), at the time of Conversion, establish a Liquidation Account. The sole function of the Liquidation Account is to establish a priority on liquidation for the benefit of certain members of the corporation at the time of or prior to the Conversion (the "Eligible Policy Holders") (subject to the satisfaction of all prior claims as set forth in applicable Rhode Island and Iowa law). In the event of its complete liquidation (and only in such event), the corporation shall calculate and effect such priority distribution to the Eligible Policy Holders in compliance with all laws and regulations regarding the amount and the priorities on liquidation of the Eligible Policy Holders' inchoate interest in the Liquidation Account, to the extent the Liquidation Account is still in existence at the time of such liquidation.

#### Article X.

Private property of the shareholders of this corporation shall be exempt from corporate liability.

#### Article XI.

The business and affairs of this corporation shall be managed by a Board of Directors consisting of not less than seven (7) nor more than fifteen (15) members, with the actual number of members set forth in, or determined in accordance with the procedures prescribed in, the By-Laws of the corporation. The initial Board of the converted corporation shall consist of twelve (12) directors. Each member of the Board of Directors must be a shareholder of the corporation.

The Board shall be divided into three (3) classes of approximately equal size. The initial term of office of the directors in the first class shall expire at the annual meeting of shareholders in 1994; the initial term of office of the directors in the second class shall expire at the annual meeting of shareholders in 1995; the initial term of office of the directors of the third class shall expire at the annual meeting of shareholders in 1996.

At each annual meeting of the shareholders held in 1994 or thereafter, however, an election shall be held to elect directors for a three (3) year term for each director position the term of office of which expires in said year. Each director elected shall serve until his or her successor shall have been elected and qualified or until such director's death or resignation or removal in the manner provided in the corporation's By-Laws.

#### Article XII.

A director of this corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which the director derived an improper personal benefit.

#### Article XIII.

Deeds, mortgages, leases and other instruments affecting or relating to real estate shall be executed by at least two officers of the corporation.

#### Article XIV.

The holder or holders, jointly or severally, of not less than one-fifth, but less than a majority of the shares of the capital stock, shall be entitled to nominate, to be elected or appointed, as the case may be, directors or other persons performing the functions of directors by whom, according to these Restated Articles of Incorporation, its affairs are to be conducted. In the event such nomination shall be made, there shall be elected or appointed to the extent that the total number to be elected or appointed is divisible, such proportionate number from the persons so nominated as the shares of stock held by persons making such nominations bear to the whole number of shares issued; provided the holder or holders of the minority shares of stock shall only be entitled to one-fifth (disregarding fractions) of the total number of directors to be elected for each one-fifth (disregarding fractions) of the total number of directors to be elected for each one-fifth of the entire capital stock of the corporation so held by them; and provided, further, that this shall not be construed to prevent the holders of a majority of the stock of this corporation from electing the majority of its directors. Vacancies occurring from time to time shall be filled so as to preserve and secure to such minority and majority shareholders proportionate representation as herein provided.

**Article XV.**

The corporation is expressly empowered to indemnify directors, officers, employees or agents of the corporation in the manner and to the full extent permitted in the corporation's By-Laws, or as may be otherwise provided by law.

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**Article XVI.**

These Restated Articles of Incorporation shall be effective January 1, 1999, and may thereafter be amended in the manner prescribed by Sections 490.1001, et seq., Code of Iowa 1997, and successor provisions thereto.

4. These duly adopted Restated Articles of Incorporation supersede the original Charter and all amendments thereto, including but not limited to the Converted and Restated Stock Charter, as amended.

5A. These Restated Articles of Incorporation amend the Converted and Restated Stock Charter so as to require shareholder approval. The Restated Articles of Incorporation were approved by the unanimous written consent of the sole shareholder on October \_\_, 1998.

5B. The issued and outstanding shares of the corporation at the time of the adoption of the Restated Articles of Incorporation were 880,000 shares of common stock, being only one class and voting group. All of such 880,000 shares were entitled to vote and all of such 880,000 shares were voted for the Restated Articles of Incorporation.

UNION INSURANCE COMPANY OF PROVIDENCE

By \_\_\_\_\_  
Bruce G. Kelley, Chairman & CEO

**CERTIFICATE OF APPROVAL**

The foregoing Restated Articles of Incorporation of Union Insurance Company of Providence, having been submitted to us for examination and found to be in accordance with the provisions of Chapters 490 and 515, Code of Iowa (1997), the laws of the State of Iowa and of the United States, said Restated Articles of Incorporation are hereby approved this \_\_\_\_\_ day of \_\_\_\_\_, 1998, to become effective January 1, 1999.

**THOMAS J. MILLER, ATTORNEY GENERAL**

By: \_\_\_\_\_  
Assistant Attorney General

**THERESE M. VAUGHAN, COMMISSIONER OF INSURANCE**

By: \_\_\_\_\_